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SERVICE DATE – AUGUST 1, 2008

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35166]

Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.–Continuance in Control Exemption–Sierra & Central Pacific Railroad Company, Inc.

Patriot Rail, LLC (PRL), and its subsidiaries, Patriot Rail Holdings LLC (PRH) and Patriot Rail Corp. (PRC) (collectively, Patriot), all noncarriers, jointly have filed a verified notice of exemption to continue in control of Sierra & Central Pacific Railroad Company, Inc. (SCPRR), upon SCPRR's becoming a Class III rail carrier.

This transaction is related to a concurrently filed verified notice of exemption in STB Finance Docket No. 35165, Sierra & Central Pacific Railroad Company, Inc.–Acquisition and Operation Exemption–Sierra Northern Railway and Sierra Railroad Company. In that proceeding, SCPRR seeks to acquire from Sierra Northern Railway (SNR) and Sierra Railroad Company, Inc., and to operate approximately 80.30 miles of track in the State of California, currently operated by SNR.

The transaction is scheduled to be consummated on or after August 15, 2008 (30 days after the notice of exemption was filed).

PRL is a noncarrier limited liability company that owns 51% of the equity interest in PRH, which, in turn, owns 100% of the stock of PRC. PRC is a noncarrier holding company that controls the following Class III rail carriers: Tennessee Southern Railroad Company, Rarus Railway Company, Utah Central Railway Company, Sacramento Valley Railroad, Inc., and The Louisiana and North West Railroad Company LLC. Pursuant to the transaction, PRC will acquire direct control of SCPRR. PRL and PRH, through their control of PRC, will acquire indirect control of SCPRR.

Patriot states that: (1) the rail lines to be acquired and operated by SCPRR do not connect with it or any other railroad in the Patriot corporate family; (2) the continuance in control is not part of a series of anticipated transactions that would connect the railroads with each other or any other railroad in the Patriot corporate family; and (3) the transaction does not involve a Class I rail carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under sections 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here, because all the carriers involved are Class III rail carriers.

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than August 8, 2008 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35166, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Louis F. Gitomer, Esq., 600 Baltimore Avenue, Suite 301, Towson, MD 21204.

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Decided: July 25, 2008.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Anne K. Quinlan  
Acting Secretary